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**Tesoro Hawaii Update**  
**Department of Business Economic Development & Tourism**  
**Ethanol Progress Report Workshop**  
**February 9, 2006**  
**Dan Riley**

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## ***Tesoro Hawaii***



- **Tesoro means “Treasure” in Spanish**
- **Doing business in Hawaii since 1979**
- **Purchased Kapolei Refinery in 1998**
- **Employ 600 people in Hawaii**
- **Generate \$68 million in Annual Tax Revenue**
- **Spends about \$130 million/ year in goods and services**
- **Committed to Safety and Protection of the Environment**

## ***Hawaii Refinery***



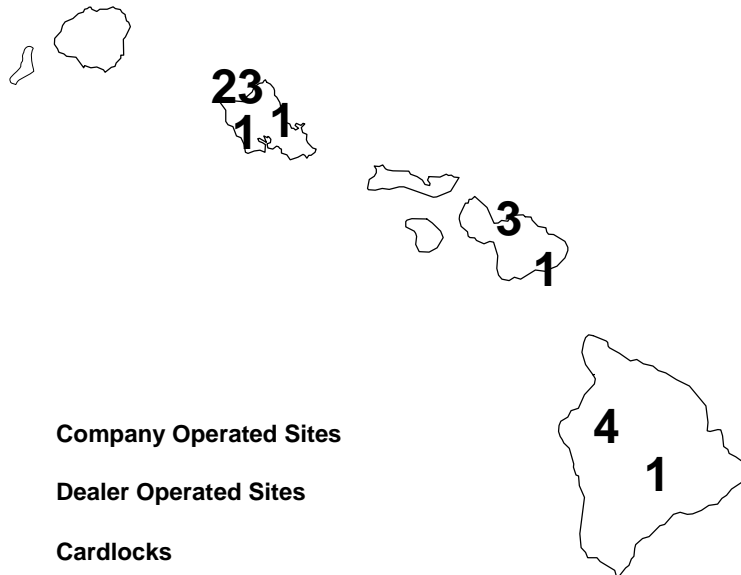
- **Rated Capacity – 95,000 bbl/day**
- **Product Slate - gasoline, jet fuel, diesel fuel, heavy fuel oil, liquefied petroleum gas, asphalt, naphtha**
- **Location – 131 acres, Campbell Industrial Park, approximately 22 miles West of Honolulu**
- **Refinery Employees - 240**

## ***Hawaii Supply and Distribution***



- **Marine Terminal**
- **Pipelines**
  - Barbers Point pipelines
  - Honolulu pipeline
- **Terminals**
  - Honolulu
  - Maui
  - Hilo
  - Kauai – Jet fuel only
  - Terminal agreements in Honolulu, Hilo, Kawaihae, Kauai
- **Trucking**

## ***Map of Retail Assets***



## ***Refinery Preparations***



- Will manufacture a HIBOB for shipment to terminals to be blended with Ethanol
- HIBOB – Hawaii Gasoline Before Oxygen Blend
- HIBOB specifications
  - Consistent with ASTM D4814 specifications
  - When combined with Ethanol – 11.5 psia RVP specification
  - Final blend will meet Antiknock Index
    - 87 for regular gasoline
    - 92 for premium gasoline

## ***Refinery Preparations***



### **Refinery Logistics**

- Refinery has initiated preparation to produce HIBOB to meet Mandate.
- Will deliver HIBOB to terminals in advance of implementation date
- Delivery to Retail by Mandate Date

### **Gasoline Certification**

- Currently refinery certifies compliance
- Refinery will certify HIBOB delivered to terminal in connection with Ethanol Mandate

## ***Terminal Preparations***



### **Supply**

- Tesoro on Target to have a Supply of Ethanol and HIBOB available to meet the Ethanol Mandate
- Tesoro has worked out most of the Infrastructure details to prepare for the Mandate
  - Converting Diesel Tank to Ethanol Service at Maui Terminal
  - Piping and rack blending system modifications complete 3/06

## ***Marketing Preparations***



- **Keep fuel clean and “dry”**
  - **Complete water surveys of tanks**
  - **Gauge tank and determine slope**
  - **Complete spill bucket upgrades**
  - **Dewater tanks**
  - **Filter change outs**

## ***Communications***



- **Employees**
- **Customers**